session of Congress and was quickly passed through both houses.[1]

The new measure, which became law May 30, 1908, was known as the Aldrich-Vreeland law, and was made avowedly temporary in character by the provision that it should continue in force only until June 30, 1914. It authorized issues of new bank-notes to an amount not exceeding $500,000,000, which were to be made homogeneous in appearance and character with the old notes by making the wording on all read that they were '' secured by United States bonds or other securities.[3]' Notes were to be issued to banks in any one State in the proportion that national bank capital and surplus in the State bore to the total of such capital and surplus in the country, but this provision was subject to exceptions. Notes authorized by the new law could be issued only to national banks having a surplus of twenty per cent, and having already notes in circulation under the old law to the amount of forty per cent, of their capital; and the total amount of notes issued under both the old and new laws was limited to the combined capital and surplus of the issuing bank.

Two separate methods were provided for obtaining the new circulation. The essential feature of the original Aldrich bill was preserved, that circulation might be issued upon direct application to the Comptroller of the Currency, " secured by the deposit of bonds other than bonds of the United States/* This provision was limited to State and municipal bonds, and the amount which might be issued was restricted to ninety per cent, of the market value of the bonds. The other method of obtaining new circulation attracted the greater degree of attention, because it was a new departure in American currency legislation and was a short step in the direction of basing note issues upon commercial assets. Under this provision national banks were permitted to form

[1] Although the new measure was resolutely opposed by Mr. Fowler and other advocates of a credit currency, the conference report was accepted in the House May 27th by a vote of 166 to 140, and in the Senate on May 3oth by 43 to 22.